(d) if so, the reasons for ignoring suggestions to cut excise and customs duties to minimize burden on the people; and

(e) by when this inflationary measures will be rolled back?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (e) The international prices of crude oil and petroleum products have remained high and volatile since 2004. As passing on the entire impact of the steep increase in the oil prices to the consumers would have resulted in hardship to the common man, the retail selling prices of sensitive petroleum products namely petrol, diesel, PDS Kerosene and domestic LPG have not been increased in tandem with the international oil prices. Due to this, the Public Sector Oil Marketing Companies (OMCs) an incurring under-recoveries in domestic sale of these sensitive petroleum products. To deal with the steep escalation in international oil prices, the Government has adopted the principle of equitable burden sharing between the Government, the oil PSUs and consumers to protect the interests of the common man and vulnerable sections of society, as also the financial health of OMCs.

In this context, the Government has made a marginal increase in petrol and diesel prices by Rs. 2/litre and Re. 1 /litre respectively with effect from 15.2.2008, which is actually in the nature of a restoration of retail prices of these products to the price level operating before February, 2007. The Government has issued Oil Bonds and the Upstream Oil Companies have also contributed by offering discount on crude oil and petroleum products, to partially compensate the under-recoveries of OMCs.

To reduce the burden on the consumer, Central Taxes on sensitive petroleum products have been consciously rationalized. The Central Government levies no taxes-customs or excise- on PDS Kerosene and domestic LPG . The customs duty on petrol and diesel has been reduced from 10% to 7.5% effective 14.6.2006 and the ad-valorem component of excise duty on unbranded petrol and diesel has been abolished with effect from 1.3.2008. Considering its widespread use for cooking purposes, LPG (domestic) has been placed under the 'declared goods' category, thereby limiting State Governments' levy of sales tax to 4% throughout the country.

The Government is closely monitoring the international oil prices and will continue to < protect the interests of consumers.

Supply of gas in Andhra Pradesh

1210. SHRI PENUMALLI MADHU: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

whether the instructions issued to ONGC/GAIL by him in his letter dated 14 December, 2004 to supply additional natural gas to the existing plants in Andhra Pradesh were followed by the above organizations; and

the present position with regard to approve a State-wide Gas Pipeline Network which enables the Andhra Pradesh State Government to reap all the benefits from the discoveries close to State boundriesas proposed by Krishna Godavari Gas Network Ltd. (KGGNL)?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Government issued instructions *vide* letter dated

14th December, 2004 that additional gas will be prorated among the new IPPs without affecting the existing power producers. Subsequently, on request of Government of Andhra Pradesh, Government directed GAIL to limit supply of gas to the existing IPPs only. It was decided that gas would be supplied to new IPPs only when additional gas becomes available.

(b) Kakinada-Hyderabad-Uran-Ahmedabad Pipeline with a length of 1385 km is being laid by M/s Reliance Gas Transportation Infrastructure, passing *inter alia* through 563 km in 7 districts in Andhra Pradesh. Government has issued authorizations to Vijayawada-.Nellore-Chennai pipeline and Kakinada-Basudebpur-Howrah pipeline passing through Andhra Pradesh. Krishna Godavari Gas Network Limited (KGGNL)'s application for grant of authorization for laying, building and operating common carrier natural gas pipelines in the state of Andhra Pradesh has been forwarded to Petroleum and Natural Gas Regulatory Board (PNGRB) for consideration, since the provisions of Petroleum and Natural Gas Regulatory Board Act, 2006 (except Section 16) have been made effective from 01'. 10.2007.

Supply of gas to Uran power plant

1211. SHRIMATI SUPRIYA SULE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

whether Maharashtra State Power Generation Company (Mahagenco) has decided to raise the capacity of its gas based Uran plant to 750 MW by end of March 2008;

whether the plant actually depends on the pipeline that is being constructed by Gas Authority of India Limited, which will connect the Uran Plant to the west coast of the country;

whether the new pipeline will be operational from March, 2008; and

if so, whether supply of gas has already been provided to this plant?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (d) Maharashtra State Power Generation Company Limited (MahaGenco) has planned to set up 1040 MW expansion of Gas based Combined Cycle Power Generation Project at Uran. Gas source for this has yet to be tied up. GAIL (India) limited has constructed Dahej-Uran Pipeline (DUPL). Its spurline Panvel-Uran pipeline would be mechanically completed by 31.3.08 and, thereafter, pipeline would be ready to be charged with gas.

Supply of cooking gas through pipeline in Jharkhand

t 1121**2**. SHRI AJAY MAROO: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether there is any plan for providing cooking gas through gas pipeline in Ranchi, Jamshedpur and other cities of Jharkhand;

if so, the details thereof; and

the cities, where this plan is likely to be started and by when?

t Original notice of the question was received in Hindi.